



## HOUSE JOINT RESOLUTION No. 2(ss)

### DIGEST OF INTRODUCED RESOLUTION

**Citations Affected:** Article 10 of the Indiana Constitution.

**Synopsis:** Circuit breakers and other property tax matters. For property taxes first due and payable in 2012 and thereafter, requires the general assembly to limit a taxpayer's property tax liability as follows: (1) A taxpayer's property tax liability on homestead property may not exceed 1% of the gross assessed value of the homestead property. (2) A taxpayer's property tax liability on other residential property may not exceed 2% of the gross assessed value of the other residential property. (3) A taxpayer's property tax liability on agricultural land may not exceed 2% of the gross assessed value of the property that is the basis for the determination of the agricultural land. (4) A taxpayer's property tax liability on other real property may not exceed 3% of the gross assessed value of the other real property. (5) A taxpayer's property tax liability on personal property may not exceed 3% of the gross assessed value of the taxpayer's personal property that is the basis for the determination of property taxes within a particular taxing district. Specifies that property taxes imposed after being approved by the voters in a referendum shall not be considered for purposes of calculating the limits to property tax liability under these provisions.  
(Continued next page)

**Effective:** This proposed amendment must be agreed to by a second general assembly and ratified by a majority of the state's voters voting on the question to be effective.

**Bosma, Espich, Clere, Turner**

June 23, 2009, read first time and referred to Committee on Rules and Legislative Procedures.



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Provides that in the case of a county for which the general assembly determines in 2008 that limits to property tax liability are expected to reduce in 2010 the aggregate property tax revenue that would otherwise be collected by all units and school corporations in the county by at least 20%, the general assembly may provide that property taxes imposed in the county to pay debt service or make lease payments for bonds or leases issued or entered into before July 1, 2008, shall not be considered for purposes of calculating the limits to property tax liability. Specifies that such a law may not apply after December 31, 2019. Permits the general assembly to exempt a mobile home used as a homestead to the same extent as real property. Specifies that an exemption may be granted in the form of a deduction or credit. Specifies that the general assembly may impose reasonable filing requirements to obtain an exemption, deduction, or credit. This proposed amendment has not been previously agreed to by a general assembly.

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Introduced

Special Session 116th General Assembly (2009)(ss)

PRINTING CODE. Amendments: Whenever an existing statute (or a section of the Indiana Constitution) is being amended, the text of the existing provision will appear in this style type, additions will appear in **this style type**, and deletions will appear in ~~this style type~~.

Additions: Whenever a new statutory provision is being enacted (or a new constitutional provision adopted), the text of the new provision will appear in **this style type**. Also, the word **NEW** will appear in that style type in the introductory clause of each SECTION that adds a new provision to the Indiana Code or the Indiana Constitution.

Conflict reconciliation: Text in a statute in *this style type* or ~~this style type~~ reconciles conflicts between statutes enacted by the 2008 Regular Session of the General Assembly.

## HOUSE JOINT RESOLUTION No. 2

A JOINT RESOLUTION proposing an amendment to Article 10 of the Indiana Constitution concerning taxation.

*Be it resolved by the General Assembly of the State of Indiana:*

- 1 SECTION 1. The following proposed amendment to the
- 2 Constitution of the State of Indiana, which was agreed to by the One
- 3 Hundred Fifteenth General Assembly of the State of Indiana and
- 4 referred to this General Assembly for reconsideration and agreement,
- 5 is agreed to by this the One Hundred Sixteenth General Assembly of
- 6 the State of Indiana.
- 7 SECTION 2. ARTICLE 10, SECTION 1 OF THE CONSTITUTION
- 8 OF THE STATE OF INDIANA IS AMENDED TO READ AS
- 9 FOLLOWS: Section 1. (a) **Subject to this section**, the General
- 10 Assembly shall provide, by law, for a uniform and equal rate of
- 11 property assessment and taxation and shall prescribe regulations to
- 12 secure a just valuation for taxation of all property, both real and

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1 personal.

2 **(b) A provision of this section permitting the General Assembly**  
 3 **to exempt property from taxation also permits the General**  
 4 **Assembly to exercise its legislative power to enact property tax**  
 5 **deductions and credits for the property. The General Assembly**  
 6 **may impose reasonable filing requirements for an exemption,**  
 7 **deduction, or credit.**

8 **(c) The General Assembly may exempt from property taxation any**  
 9 **property in any of the following classes:**

- 10 (1) Property being used for municipal, educational, literary,
- 11 scientific, religious, or charitable purposes.
- 12 (2) Tangible personal property other than property being held as
- 13 an investment.
- 14 (3) Intangible personal property.
- 15 (4) Tangible ~~real~~ property, including curtilage, used as a principal
- 16 place of residence by an:
  - 17 (A) owner of the property;
  - 18 (B) individual who is buying the tangible ~~real~~ property under
  - 19 a contract; or
  - 20 (C) individual who has a beneficial interest in the owner of the
  - 21 tangible ~~real~~ property.

22 ~~(b)~~ **(d) The General Assembly may exempt any motor vehicles,**  
 23 **mobile homes (not otherwise exempt under this section), airplanes,**  
 24 **boats, trailers, or similar property, provided that an excise tax in lieu of**  
 25 **the property tax is substituted therefor.**

26 **(e) This subsection applies to property taxes first due and**  
 27 **payable in 2012 and thereafter. The following definitions apply to**  
 28 **subsection (f):**

- 29 (1) "Other residential property" means tangible property
- 30 (other than tangible property described in subsection (c)(4))
- 31 that is used for residential purposes.
- 32 (2) "Agricultural land" means land devoted to agricultural
- 33 use.
- 34 (3) "Other real property" means real property that is not
- 35 tangible property described in subsection (c)(4), is not other
- 36 residential property, and is not agricultural land.

37 **(f) This subsection applies to property taxes first due and**  
 38 **payable in 2012 and thereafter. The General Assembly shall, by**  
 39 **law, limit a taxpayer's property tax liability as follows:**

- 40 (1) A taxpayer's property tax liability on tangible property
- 41 described in subsection (c)(4) may not exceed one percent
- 42 (1%) of the gross assessed value of the property that is the

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basis for the determination of property taxes.

(2) A taxpayer's property tax liability on other residential property may not exceed two percent (2%) of the gross assessed value of the property that is the basis for the determination of property taxes.

(3) A taxpayer's property tax liability on agricultural land may not exceed two percent (2%) of the gross assessed value of the land that is the basis for the determination of property taxes.

(4) A taxpayer's property tax liability on other real property may not exceed three percent (3%) of the gross assessed value of the property that is the basis for the determination of property taxes.

(5) A taxpayer's property tax liability on personal property (other than personal property that is tangible property described in subsection (c)(4) or personal property that is other residential property) within a particular taxing district may not exceed three percent (3%) of the gross assessed value of the taxpayer's personal property that is the basis for the determination of property taxes within the taxing district.

(g) This subsection applies to property taxes first due and payable in 2012 and thereafter. Property taxes imposed after being approved by the voters in a referendum shall not be considered for purposes of calculating the limits to property tax liability under subsection (f).

(h) As used in this subsection, "eligible county" means only a county for which the General Assembly determines in 2008 that limits to property tax liability as described in subsection (f) are expected to reduce in 2010 the aggregate property tax revenue that would otherwise be collected by all units of local government and school corporations in the county by at least twenty percent (20%). The General Assembly may, by law, provide that property taxes imposed in an eligible county to pay debt service or make lease payments for bonds or leases issued or entered into before July 1, 2008, shall not be considered for purposes of calculating the limits to property tax liability under subsection (f). Such a law may not apply after December 31, 2019.

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